

Administration of the Emergency Food and Shelter Program (EFSP) Funding Authorized Under the FY2019 Border Supplemental

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This Insight provides a brief overview of the Emergency Food and Shelter Program (EFSP), and funding provided for it through the FY2019 Border Supplemental.

General EFSP Administration

The EFSP provides grants to private nonprofit organizations and local governments to supplement and expand ongoing efforts and local programs to provide shelter, food, and supportive services for [individuals and families who are homeless or experiencing economic emergencies](#). It was first authorized under the Stewart B. McKinney Homeless Assistance Act of 1987 (P.L. 100-77) and later renamed the McKinney-Vento Homeless Assistance Act. The EFSP is codified in [42 U.S.C. §11331 et seq.](#) EFSP funds may be used to provide:

- Food (i.e., served meals or groceries);
- Lodging (i.e., mass shelter or hotel);
- One month's rent or mortgage payment;
- One month's utility bill; and
- Equipment necessary to feed or shelter people (up to \$300 per item).

Although the EFSP is [administered by the Federal Emergency Management Agency \(FEMA\)](#), it is not linked to [major disasters or emergencies](#). It is governed by a [National Board](#) that is [chaired by a Director](#) (by statute, the FEMA Administrator). The National Board also includes representatives from private nonprofit organizations. When Congress appropriates funding to the EFSP, the Director is responsible for [awarding a grant](#) to the National Board, and the National Board is responsible for establishing [program guidelines](#) and [disbursing the funding](#). Localities (i.e., [cities or counties](#)) are generally designated for funding based on a [formula](#) that includes population, poverty, and unemployment data. Each locality designated for funding must establish a [Local Board](#), which is responsible for [advertising funding](#)

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availability and determining how their allotment of [local funding will be distributed](#), including selecting the grant recipients (i.e., [private nonprofit organizations or public organizations of the local government in the individual locality](#)). The National Board disburses funds directly to local recipient organizations (LROs) selected by the Local Boards. Additionally, localities that do not qualify under the formula may receive funds through the [State Set-Aside process](#), and this process can also be used to allow localities that are designated for funding to receive additional funding.

EFSP Supplemental Funding

The Emergency Supplemental Appropriations for Humanitarian Assistance and Security at the Southern Border Act, 2019 (hereinafter “supplemental,” P.L. 116-26) was enacted on July 1, 2019. In the supplemental, [FEMA received \\$30 million for the EFSP](#) “for the purposes of providing assistance to aliens released from the custody of the Department of Homeland Security [DHS].”

With regard to eligibility, the [supplemental](#) states that the EFSP funding:

- must only be distributed to “jurisdictions or local recipient organizations serving communities that have experienced a significant influx of such aliens” (i.e., aliens released from DHS custody); and
- “may be used to reimburse such jurisdictions or local recipient organizations for costs incurred in providing services to such aliens on or after January 1, 2019.”

FEMA issued a Notice of Funding Opportunity (NOFO) ([DHS-19-DAD-024-00-02](#)) for the \$30 million in EFSP supplemental funding on July 30, 2019, with a closing date of August 5, 2019. The National Board was the only eligible applicant.

The [NOFO](#) directs the National Board to issue reimbursement guidance within 30 days of FEMA awarding the grant funds. However, the [supplemental](#) requires the National Board to disburse the funding not later than 30 days from the date the funding is awarded.

Per the [NOFO](#), the funding has been separated into a \$25 million and a \$5 million allocation, and the National Board will prioritize funding to the most impacted areas. FEMA identified the four border states of Texas, New Mexico, Arizona, and California as having experienced a significant influx of aliens when it divided the grant funding into two allocations. Thus, the states that may qualify for funding from the \$25 million allocation are the four border states. The remaining \$5 million may be allocated to any of the 50 states (including the four border states). The [NOFO](#) then requires the National Board to select the jurisdictions or LROs that have experienced a significant influx of aliens released from DHS custody on or after January 1, 2019.

The [NOFO](#) states that the National Board will use its existing structure for funding distribution and program administration (but eligible requests for reimbursement will be based on the requirements outlined in the [supplemental](#)). However, the [NOFO](#) states that the funding will be awarded *competitively* to eligible applicants. It goes on to state that reimbursements will prioritize food and shelter expenses because they are life sustaining, and remaining funding can reimburse “the next tier of services.”

Closing Considerations

The [NOFO](#) leaves some aspects of program administration unclear, for example:

- The National Board is required to select the jurisdictions or LROs that have experienced a significant influx of aliens. However, it is unclear what qualifies at the local level as a “significant influx of aliens,” or how localities within these and the remaining states will

- be designated for funding. It is also unclear how the competition for and award of funds will be administered.
- Although the [NOFO](#) provides some guidance on the next tier of services that may be reimbursed, it is unclear what, if any, ancillary services may be eligible for reimbursement (e.g., medical services).
- The time constraints imposed by the supplemental and [NOFO](#) may challenge the National Board and Local Boards' ability to complete their EFSP responsibilities ahead of the [supplemental's](#) disbursement deadline. It remains to be seen if or how the National Board will be able to accommodate Congress's expressed desire to expedite funding to impacted communities, especially given the time requirements on applicants and adjudicators in a competitive process.

When this Insight was published, the [NOFO](#) was listed as “closed,” on the [Grants.gov](#) website, but no additional information was available. FEMA has stated that more information is forthcoming, and it is possible that the National Board-issued guidance may help address these outstanding questions. Additionally, [FEMA announced that it will award the funding](#) to the National Board the week of August 12, 2019. In the meantime, the [EFSP website](#) directs potential applicants to contact their Local Board.

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